



Net Worth Case Study Part III: Liabilities

CASE INFORMATION:

In addition to the information provided by the confidential informant and documents obtained from the search of John's house and place of employment, you obtained several judicial orders to gather credit card and line of credit information, mortgage information and vehicle loan information.

Based on the documents obtained during the course of your investigation, the following liabilities were identified as owing from John and Sarah:

- 1) John and Sarah had the following mortgage balances owing at December 31st to North America Mortgage Company:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
549 Nice Lake Road	\$ 342,286	\$ 330,041	\$ ----	\$ ----
125 Anywhere Street	\$ ----	\$ ----	\$ 536,584	\$ 521,594

- 2) John and Sarah had the following December 31st balances owing on their various credit cards and line of credit:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
North America Credit Company – John and Sarah Joint Credit Card	\$ 12,522	\$ 8,543	\$ 9,466	\$ 10,221
North America Credit Company – John Credit Card	\$ 6,255	\$ 9,688	\$ 7,483	\$ 8,467
North America Credit Company – Sarah Credit Card	\$ 4,280	\$ 8,950	\$ 10,477	\$ 3,210
North America Credit Company – John and Sarah Joint Line of Credit	\$ 142,000	\$ 185,000	\$ 163,000	\$ 125,000



- 3) John and Sarah had the following amounts owing at December 31st relating to their vehicles:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
2008 Mercedes ML350	\$ ----	\$ ----	\$ ----	\$ ----
2017 BMW M5	\$ 21,137	\$ 4,290	\$ ----	\$ ----
2021 Audi Q7	\$ ----	\$ 81,399	\$ 63,937	\$ 46,123
2023 Porsche Cayman	\$ ----	\$ ----	\$ ----	\$ 94,081

FOR YOUR ACTION:

In your breakout groups, complete the following:

- 1) Continuing with the Net Worth template, calculate the total liabilities for John and Sarah for the years 2020, 2021, 2022 and 2023.
- 2) Calculate the change in net worth for John and Sarah for the years 2021, 2022 and 2023.